

Table 16

*State Sales Tax Bases: Exemptions for Business-to-Business Transactions
As of July 1, 2012*

State	Insecticides and Pesticides	Fertilizer, Seed and Feed	Seedlings, Plants and Shoots	Manufacturing Machinery	Manufacturing Utilities/Fuel
Alabama	Exempt	Exempt	Exempt	4.5% Reduced Rate	Taxable
Arizona	Taxable	Exempt	Exempt	Exempt	Taxable
Arkansas	Exempt	Exempt	Taxable	Taxable	Taxable
California	Taxable	Exempt	Exempt	Taxable	Exempt
Colorado	Exempt	Exempt	Exempt	Exempt	Exempt
Connecticut	Exempt	Exempt	Exempt	Exempt	Exempt
Florida	Exempt	Exempt	Exempt	Taxable	Exempt
Georgia	Exempt	Exempt	Exempt	Exempt	Taxable
Hawaii	Taxable	Taxable	Taxable	Taxable	Taxable
Idaho	Exempt	Exempt	Exempt	Exempt	Exempt
Illinois	Exempt	Exempt	Taxable	Exempt	Taxable
Indiana	Exempt	Exempt	Exempt	Exempt	Exempt
Iowa	Exempt	Exempt	Exempt	Exempt	Exempt
Kansas	Exempt	Exempt	Exempt	Exempt	Exempt
Kentucky	Exempt	Exempt	Taxable	Taxable	Exempt
Louisiana	Exempt	Exempt	Taxable	Exempt	Exempt
Maine	Exempt	Exempt	Taxable	Exempt	Exempt
Maryland	Exempt	Exempt	Exempt	Exempt	Exempt
Massachusetts	Exempt	Exempt	Exempt	Exempt	Exempt
Michigan	Exempt	Exempt	Exempt	Exempt	Exempt
Minnesota	Exempt	Exempt	Exempt	Taxable	Exempt
Mississippi	Exempt	Exempt	Exempt	4.5% Reduced Rate	Taxable
Missouri	Exempt	Exempt	Taxable	Exempt	Exempt
Nebraska	Exempt	Exempt	Exempt	Exempt	Exempt
Nevada	Taxable	Exempt	Exempt	Taxable	Taxable
New Jersey	Exempt	Exempt	Exempt	Exempt	Taxable
New Mexico	Exempt	Exempt	Exempt	Taxable	Taxable
New York	Exempt	Exempt	Exempt	Exempt	Exempt
North Carolina	Exempt	Exempt	Taxable	Exempt	Exempt
North Dakota	Exempt	Exempt	Exempt	Taxable	Taxable
Ohio	Exempt	Exempt	Exempt	Exempt	Exempt
Oklahoma	Exempt	Exempt	Exempt	Exempt	Exempt
Pennsylvania	Exempt	Exempt	Exempt	Exempt	Exempt
Rhode Island	Exempt	Exempt	Exempt	Exempt	Exempt
South Carolina	Exempt	Exempt	Exempt	Exempt	Exempt
South Dakota	Exempt	Exempt	Exempt	Taxable	Taxable
Tennessee	Exempt	Exempt	Exempt	Exempt	1.5% Reduced Rate
Texas	Exempt	Exempt	Exempt	Exempt	Exempt
Utah	Exempt	Exempt	Exempt	Exempt	Exempt
Vermont	Exempt	Exempt	Exempt	Exempt	Exempt
Virginia	Exempt	Exempt	Exempt	Exempt	Exempt
Washington	Exempt	Exempt	Exempt	Exempt	Taxable
West Virginia	Exempt	Exempt	Exempt	Exempt	Exempt
Wisconsin	Exempt	Exempt	Exempt	Exempt	Exempt
Wyoming	Taxable	Exempt	Exempt	Exempt	Exempt
District of Columbia	Taxable	Taxable	Taxable	Taxable	Exempt

Note: States with no state sales tax omitted from table: Alaska, Delaware, Montana, New Hampshire, and Oregon.

Source: Tax Foundation; Commerce Clearing House.

Table 16 (continued)

*State Sales Tax Bases: Exemptions for Business-to-Business Transactions
As of July 1, 2012*

State	Farm Machinery	Treatment of Services	General Cleaning Services	Transportation Services	Repair Services	Professional and Personal Services	Custom Software
Alabama	Taxable	Generally Not Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Arizona	Exempt	Specified Services Taxable	Exempt	Taxable	Exempt	Exempt	Exempt
Arkansas	Exempt	Specified Services Taxable	Taxable	Exempt	Taxable	Exempt	Partially Taxable
California	Taxable	Generally Not Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Colorado	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Connecticut	Exempt	Specified Services Taxable	Taxable	Exempt	Taxable	Taxable	Taxable
Florida	Exempt	Specified Services Taxable	Taxable	Exempt	Exempt	Exempt	Exempt
Georgia	Exempt	Specified Services Taxable	Exempt	Taxable	Exempt	Exempt	Exempt
Hawaii	Taxable	Taxable Unless Specifically Exempted	Taxable	Taxable	Taxable	Taxable	Taxable
Idaho	Exempt	Specified Services Taxable	Exempt	Partially Taxable	Exempt	Exempt	Exempt
Illinois	Exempt	Generally Not Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Indiana	Exempt	Generally Not Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Iowa	Exempt	Specified Services Taxable	Taxable	Exempt	Taxable	Taxable	Exempt
Kansas	Exempt	Specified Services Taxable	Exempt	Exempt	Taxable	Exempt	Exempt
Kentucky	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Louisiana	Exempt	Specified Services Taxable	Taxable	Exempt	Taxable	Exempt	Exempt
Maine	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Maryland	Exempt	Specified Services Taxable	Taxable	Exempt	Exempt	Exempt	Exempt
Massachusetts	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Michigan	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Minnesota	Exempt	Specified Services Taxable	Taxable	Exempt	Exempt	Exempt	Exempt
Mississippi	Taxable	Specified Services Taxable	Exempt	Exempt	Taxable	Exempt	Taxable
Missouri	Exempt	Specified Services Taxable	Exempt	Taxable	Exempt	Exempt	Exempt
Nebraska	Exempt	Specified Services Taxable	Taxable	Exempt	Taxable	Exempt	Taxable
Nevada	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
New Jersey	Exempt	Specified Services Taxable	Taxable	Exempt	Taxable	Exempt	Exempt
New Mexico	Taxable	Taxable Unless Specifically Exempted	Taxable	Taxable	Taxable	Taxable	Taxable
New York	Exempt	Specified Services Taxable	Taxable	Taxable	Taxable	Exempt	Exempt
North Carolina	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
North Dakota	Taxable	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Ohio	Exempt	Specified Services Taxable	Taxable	Taxable	Taxable	Exempt	Partially Taxable
Oklahoma	Exempt	Specified Services Taxable	Exempt	Taxable	Exempt	Exempt	Exempt
Pennsylvania	Exempt	Specified Services Taxable	Taxable	Exempt	Taxable	Exempt	Exempt
Rhode Island	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
South Carolina	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Partially Taxable
South Dakota	Taxable	Taxable Unless Specifically Exempted	Taxable	Taxable	Taxable	Taxable	Taxable
Tennessee	Exempt	Specified Services Taxable	Exempt	Exempt	Taxable	Exempt	Taxable
Texas	Exempt	Specified Services Taxable	Taxable	Exempt	Taxable	Taxable	Taxable
Utah	Exempt	Specified Services Taxable	Exempt	Taxable	Taxable	Exempt	Exempt
Vermont	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Virginia	Exempt	Specified Services Taxable	Exempt	Exempt	Exempt	Exempt	Exempt
Washington	Taxable	Specified Services Taxable	Exempt	Exempt	Taxable	Exempt	Exempt
West Virginia	Exempt	Taxable Unless Specifically Exempted	Taxable	Taxable	Taxable	Exempt	Taxable
Wisconsin	Exempt	Specified Services Taxable	Exempt	Exempt	Taxable	Exempt	Exempt
Wyoming	Exempt	Specified Services Taxable	Exempt	Taxable	Taxable	Exempt	Exempt
District of Columbia	Taxable	Specified Services Taxable	Taxable	Exempt	Taxable	Exempt	Taxable

Note: States with no state sales tax omitted from table: Alaska, Delaware, Montana, New Hampshire, and Oregon.

Source: Tax Foundation; Commerce Clearing House.

*Table 16 (continued)**State Sales Tax Bases: Exemptions for Business-to-Business Transactions
As of July 1, 2012*

State	Modified Canned Software	Downloaded Software	Leasing Motor Vehicles	Leases/Rentals of Tangible Personal Property	Leasing Rooms and Lodgings
Alabama	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Arizona	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Arkansas	Exempt	Exempt	Taxable	Taxable	Taxable
California	Taxable	Exempt	Taxable	Taxable	Taxable
Colorado	Taxable	Exempt	Taxable	Taxable	Taxable
Connecticut	Taxable	Taxable	Taxable	Taxable	Taxable
Florida	Exempt	Exempt	Taxable	Taxable	Taxable
Georgia	Taxable	Exempt	Taxable	Taxable	Taxable
Hawaii	Taxable	Taxable	Taxable	Taxable	Taxable
Idaho	Exempt	Partially Taxable	Taxable	Taxable	Taxable
Illinois	Exempt	Partially Taxable	Taxable	Exempt	Taxable
Indiana	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Iowa	Taxable	Exempt	Taxable	Taxable	Taxable
Kansas	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Kentucky	Exempt	Partially Taxable	Exempt	Taxable	Taxable
Louisiana	Exempt	Partially Taxable	Taxable	Taxable	Taxable
Maine	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Maryland	Exempt	Exempt	Taxable	Taxable	Taxable
Massachusetts	Exempt	Partially Taxable	Taxable	Taxable	Taxable
Michigan	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Minnesota	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Mississippi	Taxable	Taxable	Taxable	Taxable	Taxable
Missouri	Taxable	Taxable	Taxable	Taxable	Taxable
Nebraska	Taxable	Taxable	Taxable	Taxable	Taxable
Nevada	Taxable	Exempt	Taxable	Taxable	Exempt
New Jersey	Taxable	Partially Taxable	Taxable	Taxable	Taxable
New Mexico	Taxable	Taxable	Taxable	Taxable	Taxable
New York	Taxable	Partially Taxable	Taxable	Taxable	Taxable
North Carolina	Taxable	Partially Taxable	Exempt	Taxable	Taxable
North Dakota	Taxable	Partially Taxable	Exempt	Taxable	Taxable
Ohio	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Oklahoma	Taxable	Exempt	Taxable	Taxable	Taxable
Pennsylvania	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Rhode Island	Taxable	Partial	Taxable	Taxable	Taxable
South Carolina	Taxable	Exempt	Taxable	Taxable	Taxable
South Dakota	Taxable	Taxable	Taxable	Taxable	Taxable
Tennessee	Taxable	Taxable	Taxable	Taxable	Taxable
Texas	Taxable	Taxable	Exempt	Taxable	Taxable
Utah	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Vermont	Exempt	Partially Taxable	Exempt	Taxable	Taxable
Virginia	Taxable	Exempt	Taxable	Taxable	Taxable
Washington	Exempt	Partially Taxable	Taxable	Taxable	Taxable
West Virginia	Taxable	Taxable	Taxable	Taxable	Taxable
Wisconsin	Taxable	Partially Taxable	Taxable	Taxable	Taxable
Wyoming	Taxable	Partially Taxable	Taxable	Taxable	Taxable
District of Columbia	Taxable	Taxable	Taxable	Taxable	Taxable

Note: States with no state sales tax omitted from table: Alaska, Delaware, Montana, New Hampshire, and Oregon.

Source: Tax Foundation; Commerce Clearing House.

Table 16 (continued)

*State Sales Tax Bases: Exemptions for Business-to-Business Transactions
As of July 1, 2012*

State	Raw Material	Office Equipment	Pollution Control Equipment	
			Air	Water
Alabama	Exempt	Taxable	Exempt	Exempt
Arizona	Exempt	Taxable	Exempt	Exempt
Arkansas	Exempt	Taxable	Exempt	Exempt
California	Exempt	Taxable	Taxable	Taxable
Colorado	Exempt	Taxable	Taxable	Taxable
Connecticut	Exempt	Taxable	Exempt	Exempt
Florida	Exempt	Taxable	Exempt	Exempt
Georgia	Exempt	Taxable	Exempt	Exempt
Hawaii	Taxable	Taxable	Taxable	Taxable
Idaho	Exempt	Taxable	Exempt	Exempt
Illinois	Exempt	Taxable	Taxable	Taxable
Indiana	Exempt	Taxable	Exempt	Exempt
Iowa	Exempt	Taxable	Exempt	Exempt
Kansas	Exempt	Taxable	Exempt	Exempt
Kentucky	Exempt	Taxable	Exempt	Exempt
Louisiana	Exempt	Taxable	Exempt	Exempt
Maine	Exempt	Taxable	Exempt	Exempt
Maryland	Exempt	Taxable	Exempt	Exempt
Massachusetts	Exempt	Taxable	Taxable	Taxable
Michigan	Exempt	Taxable	Exempt	Exempt
Minnesota	Exempt	Taxable	Taxable	Taxable
Mississippi	Exempt	Taxable	Exempt	Exempt
Missouri	Exempt	Taxable	Exempt	Exempt
Nebraska	Exempt	Taxable	Exempt	Exempt
Nevada	Exempt	Taxable	Taxable	Taxable
New Jersey	Exempt	Taxable	Taxable	Taxable
New Mexico	Exempt	Taxable	Taxable	Taxable
New York	Exempt	Taxable	Exempt	Exempt
North Carolina	Exempt	Taxable	Taxable	Taxable
North Dakota	Exempt	Taxable	Taxable (a)	Taxable (a)
Ohio	Exempt	Taxable	Exempt	Exempt
Oklahoma	Exempt	Taxable	Taxable	Taxable
Pennsylvania	Exempt	Taxable	Exempt	Exempt
Rhode Island	Exempt	Taxable	Exempt	Exempt
South Carolina	Exempt	Taxable	Exempt	Exempt
South Dakota	Exempt	Taxable	Taxable	Taxable
Tennessee	Exempt	Taxable	Exempt	Exempt
Texas	Exempt	Taxable	Exempt	Exempt
Utah	Exempt	Taxable	Exempt	Exempt
Vermont	Exempt	Taxable	Taxable	Taxable
Virginia	Exempt	Taxable	Exempt	Exempt
Washington	Exempt	Taxable	Exempt	Exempt
West Virginia	Exempt	Taxable	Exempt	Exempt
Wisconsin	Exempt	Taxable	Taxable	Taxable
Wyoming	Exempt	Taxable	Taxable	Taxable
District of Columbia	Exempt	Taxable	Taxable	Taxable

Note: States with no state sales tax omitted from table: Alaska, Delaware, Montana, New Hampshire, and Oregon.

(a) Partial exemption for power plants.

Source: Tax Foundation; Commerce Clearing House.

Table 17

*State Sales Tax Bases: Other Exemptions
As of July 1, 2012*

State	Gasoline	Groceries
Alabama	Exempt	Taxable
Arizona	Exempt	Exempt
Arkansas	Exempt	1.5%
California	Taxable	Exempt
Colorado	Exempt	Exempt
Connecticut	(a)	Exempt
Florida	Exempt	Exempt
Georgia	Taxable	Exempt
Hawaii	Taxable	Taxable
Idaho	Exempt	Taxable
Illinois	Taxable	1%
Indiana	Taxable	Exempt
Iowa	Exempt	Exempt
Kansas	Exempt	Taxable
Kentucky	Exempt	Exempt
Louisiana	Exempt	Exempt
Maine	Exempt	Exempt
Maryland	Exempt	Exempt
Massachusetts	Exempt	Exempt
Michigan	Taxable	Exempt
Minnesota	Exempt	Exempt
Mississippi	Exempt	Taxable
Missouri	Exempt	1.225%
Nebraska	Exempt	Exempt
Nevada	Exempt	Exempt
New Jersey	Exempt	Exempt
New Mexico	Exempt	Exempt
New York	(b)	Exempt
North Carolina	Exempt	Exempt
North Dakota	Exempt	Exempt
Ohio	Exempt	Exempt
Oklahoma	Exempt	Taxable
Pennsylvania	Exempt	Exempt
Rhode Island	Exempt	Exempt
South Carolina	Exempt	Exempt
South Dakota	Exempt	Taxable
Tennessee	Exempt	5.25%
Texas	Exempt	Exempt
Utah	Exempt	1.75%
Vermont	Exempt	Exempt
Virginia	Exempt	2.5%
Washington	Exempt	Exempt
West Virginia	Exempt	1%
Wisconsin	Exempt	Exempt
Wyoming	Exempt	Exempt
District of Columbia	Exempt	Exempt

Note: States with no state sales tax omitted from table:

Alaska, Delaware, Montana, New Hampshire and Oregon.

(a) Connecticut imposes a gross receipts tax on wholesalers.

(b) Most counties impose a percent sales tax.

Source: Tax Foundation; Commerce Clearing House; American Petroleum Institute.